

Township of Deerfield

Lapeer County, Michigan

Audited Financial Report
March 31, 2006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Deerfield Township	County Lapeer County
Fiscal Year End March 31, 2006	Opinion Date June 23, 2006	Date Audit Report Submitted to State July 31, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.


We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☒ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Lehn L. King, C.P.A.	Telephone Number 989-635-3113		
Street Address 3531 Main Street	City Marlette	State MI	Zip 48453
Authorizing CPA Signature 	Printed Name Lehn King	License Number A248781	

Township of Deerfield
Annual Financial Report
For The Fiscal Year Ended March 31, 2006

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Members of the Township Board
Township of Deerfield
Lapeer County, Michigan

Independent Auditor's Report

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Deerfield, Michigan as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Deerfield, Michigan's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Deerfield, Michigan as of March 31, 2006 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

The Audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Deerfield, Michigan's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As described in Note 1, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and related statements, as of April 1, 2004.

Lehn King

Lehn L. King
Certified Public Accountant

June 23, 2006

Township of Deerfield

North Branch, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS LETTER

Our discussion and analysis of the Township of Deerfield's financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 2006. Please read it in conjunction with the Township's financial statements.

Financial Highlights

The Township is in a good financial position with a General Fund Balance of \$385,776.

However, the Township budget for the upcoming year could experience expenditures exceeding the revenues, thus, using up some of the current fund balance. The State anticipates cutting State Shared Revenues and costs for Fire Protection, Road Maintenance, Insurance and other Township activities are rising. So, even though the Township is in stable financial position, good financial planning is necessary for the future years.

Using this Report

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No.34. GASB Statement 34 implements a new model of financial reporting for state and local governments designed to enhance the usefulness of the Township's annual report.

The Township as a Whole

The Township of Deerfield's fund balances are as follows:

	<u>March 31,</u> <u>2006</u>	<u>March 31,</u> <u>2005</u>
General Fund	\$ 385,776	\$ 465,569
Cemetery Fund	15,352	14,619
Fire Department Fund	105,102	96,200
Park Fund	9,486	-
Road Resurfacing Project	35,124	29,656
Revolving Improvement Fund	204,206	245,630
Barnes Lake Fund	91,631	84,123
Police Equipment Fund	26,742	24,773
Total for Township	<u>\$ 873,419</u>	<u>\$ 960,570</u>

Township of Deerfield

North Branch, Michigan

Governmental Activities

The Township of Deerfield's Revenues and Expenditures can be summarized as follows:

	<u>General Fund</u>	<u>Fire Department Fund</u>	<u>Revolving Improvement Fund</u>
Fund Balance - Beginning of Year	\$ 465,569	\$ 96,200	\$ 245,627
Revenue Collected			
Intergovernmental Revenue	390,084	-	-
Property Taxes / Special Assessments	261,858	94,481	-
Charges for Services	5,883	12,963	-
Grant Proceeds	-	117,980	-
Transfers	-	9,828	252,396
Other	58,656	291	4,056
Total Revenue Collected	<u>716,481</u>	<u>235,543</u>	<u>256,452</u>
Expenditures			
General Government	380,719	-	-
Public Safety	144,484	64,859	-
Public Works	7,347	-	241,836
Recreation & Culture	1,499	-	-
Capital Outlay	-	122,140	-
Debt Service	-	39,642	56,038
Transfers	262,224	-	-
Total Expenditures	<u>796,273</u>	<u>226,641</u>	<u>297,874</u>
Fund Balance - End of Year	<u><u>\$ 385,777</u></u>	<u><u>\$ 105,102</u></u>	<u><u>\$ 204,205</u></u>

Township of Deerfield

North Branch, Michigan

Economic Factors and Next Year's Budget and Rates

The Township of Deerfield's General Fund budget for next year is approximately the same budget as a year ago.

Contacting the Township

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Township office at 30 Burnside Road, North Branch, Michigan or by telephone at (810) 793-6700.

Keith Mercer
Township of Deerfield Supervisor

Township of Deerfield

Statement of Net Assets (Deficit)

March 31, 2006

	Primary Government Governmental Activities
<u>Assets</u>	
Cash & Cash Equivalents	\$ 837,145.07
Receivables:	
Property Taxes	45,696.75
Special Assessments	19,882.98
Due From Other Funds	5,098.20
Capital Assets (Net of Accumulated Depreciation)	<u>1,158,982.05</u>
 Total Assets	 2,066,805.05
<u>Liabilities</u>	
Accounts Payable	\$ 14,521.36
Due To Other Funds	-
Accrued Interest Payable	11,827.00
Current Portion of Long-Term Debt	91,480.00
Long-Term Debt	<u>252,401.07</u>
 <u>Total Liabilities</u>	 <u>370,229.43</u>
Net Assets (Deficit)	
Invested in Capital Assets - Net of Related Debt	803,273.98
Unrestricted	<u>893,301.64</u>
 <u>Total Net Assets (Deficit)</u>	 <u>\$ 1,696,575.62</u>

The notes are an integral part of the statements.

Township of Deerfield
Statement of Activities
For the Year Ended March 31, 2006

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue &</u>
		<u>Services</u>	<u>Grants &</u>	<u>Grants &</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Assets</u>
					<u>Primary Government</u>
					<u>Governmental</u>
					<u>Activities</u>
Primary Government:					
Governmental Activities:					
General Government	\$ 401,797.45	\$ 8,457.55	\$ -	\$ -	\$ (393,339.90)
Public Safety	250,047.49	12,962.50	-	117,979.50	(119,105.49)
Public Works	302,207.26	-	-	-	(302,207.26)
Recreation & Culture	2,049.81	-	-	-	(2,049.81)
Interest on Long-Term Debt	17,489.72	-	-	-	(17,489.72)
<u>Total Governmental Activities</u>	<u>\$ 973,591.73</u>	<u>\$ 21,420.05</u>	<u>\$ -</u>	<u>\$ 117,979.50</u>	<u>(834,192.18)</u>
General Revenues:					
Property Taxes					\$ 261,858.46
Special Assessments					155,075.63
State Shared Revenues					390,084.00
Interest					14,536.97
Other Revenues					61,601.85
Transfers					-
Total General Revenues, Special Items & Transfers					<u>883,156.91</u>
Change in Net Assets					48,964.73
Net Assets (Deficit) - Beginning of Year					<u>1,647,610.89</u>
Net Assets (Deficit) - End of Year					<u>\$ 1,696,575.62</u>

The notes are an integral part of the statements.

Township of Deerfield

Governmental Funds

Balance Sheet

March 31, 2006

	General Fund	Cemetery Fund	Fire Department Fund	Barnes Lk Improv Fund	Park Fund	Revolving Improvement Fund	Police Equipment Fund	Road Resurfacing Fund	Total Governmental Funds
<u>Assets</u>									
Cash & Certificates of Deposit	\$ 367,894.57	\$ 15,352.14	\$ 91,621.39	\$ 87,057.83	\$ 9,485.55	\$ 204,205.66	\$ 26,742.26	\$ 34,785.67	\$ 837,145.07
Property Taxes Receivable	31,877.97	-	13,480.27	-	-	-	-	338.51	45,696.75
Special Assessment Receivable	-	-	-	-	-	-	-	33,105.29	33,105.29
Due From Other Funds	525.00	-	-	4,573.20	-	-	-	-	5,098.20
<u>Total Assets</u>	<u>\$ 400,297.54</u>	<u>\$ 15,352.14</u>	<u>\$ 105,101.66</u>	<u>\$ 91,631.03</u>	<u>\$ 9,485.55</u>	<u>\$ 204,205.66</u>	<u>\$ 26,742.26</u>	<u>\$ 68,229.47</u>	<u>\$ 921,045.31</u>
<u>Liabilities & Fund Equity</u>									
<u>Liabilities</u>									
Accounts Payable	\$ 14,521.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,521.36
Deferred Revenue	-	-	-	-	-	-	-	33,105.29	33,105.29
Due To Other Funds	-	-	-	-	-	-	-	-	-
<u>Total Liabilities</u>	<u>14,521.36</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,105.29</u>	<u>47,626.65</u>
<u>Fund Equity</u>									
Fund Balances									
- Unreserved & Undesignated	385,776.18	15,352.14	105,101.66	91,631.03	9,485.55	204,205.66	26,742.26	35,124.18	873,418.66
<u>Total Fund Balances</u>	<u>385,776.18</u>	<u>15,352.14</u>	<u>105,101.66</u>	<u>91,631.03</u>	<u>9,485.55</u>	<u>204,205.66</u>	<u>26,742.26</u>	<u>35,124.18</u>	<u>873,418.66</u>
<u>Total Liabilities & Fund Equity</u>	<u>\$ 400,297.54</u>	<u>\$ 15,352.14</u>	<u>\$ 105,101.66</u>	<u>\$ 91,631.03</u>	<u>\$ 9,485.55</u>	<u>\$ 204,205.66</u>	<u>\$ 26,742.26</u>	<u>\$ 68,229.47</u>	<u>\$ 921,045.31</u>

The notes are an integral part of the statements.

Township of Deerfield
Governmental Funds
Reconciliation of Fund Balances to the
Statement of Net Assets (Deficit)
For The Year Ended March 31, 2006

Total Fund Balances for Governmental Funds	\$ 873,418.66
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Amounts reported for Governmental Activities in the Statement of
Net Assets (Deficit) are different because:

Capital Assets used in Governmental Activities are not Financial Resources and are not reported in the Funds	1,158,982.05
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Special assessment receivables are expected to be collected over several years, and are not available to pay for current year expenditures	19,882.98
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Long-Term Bonds Payable are not due and payable in the current period and are not reported in the Funds	(343,881.07)
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Accrued Interest Payable is not reported in the Funds	<u>(11,827.00)</u>
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Net Assets of Governmental Activities	<u><u>\$ 1,696,575.62</u></u>
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The notes are an integral part of the statements.

Township of Deerfield
Governmental Funds
Statement of Revenues, Expenditures, And Changes
in Fund Balances
For The Year Ended March 31, 2006

	General Fund	Cemetery Fund	Fire Department Fund	Barnes Lk Improv Fund	Park Fund	Revolving Improvement Fund	Police Equipment Fund	Road Resurfacing Fund	Total Governmental Funds
<u>Revenues</u>									
Property Taxes	\$ 261,858.46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 261,858.46
State Shared Revenue	390,084.00	-	-	-	-	-	-	-	390,084.00
Special Assessments	-	-	94,481.00	54,594.63	-	-	6,000.00	13,222.31	168,297.94
Charges for Services	5,882.55	2,575.00	12,962.50	-	-	-	-	-	21,420.05
Grant Proceeds	-	-	117,979.50	-	-	-	-	-	117,979.50
Interest Earnings	10,661.01	60.08	163.04	271.68	-	3,008.08	276.90	96.18	14,536.97
Other Revenues	47,994.66	2,394.72	128.33	-	10,035.80	1,048.34	-	-	61,601.85
<u>Total Revenues</u>	<u>716,480.68</u>	<u>5,029.80</u>	<u>225,714.37</u>	<u>54,866.31</u>	<u>10,035.80</u>	<u>4,056.42</u>	<u>6,276.90</u>	<u>13,318.49</u>	<u>1,035,778.77</u>
<u>Expenditures</u>									
General Government	380,718.77	4,297.02	-	-	-	-	-	-	385,015.79
Public Safety	144,484.30	-	64,858.61	-	-	-	4,307.51	-	213,650.42
Publics Works	7,346.77	-	-	47,358.27	-	241,835.55	-	-	296,540.59
Recreation & Culture	1,499.56	-	-	-	550.25	-	-	-	2,049.81
Capital Outlay	-	-	122,140.00	-	-	-	-	-	122,140.00
Debt Service - Principal	-	-	30,040.00	-	-	50,000.00	-	5,000.00	85,040.00
Debt Service - Interest	-	-	9,601.72	-	-	6,038.00	-	2,850.00	18,489.72
<u>Total Expenditures</u>	<u>534,049.40</u>	<u>4,297.02</u>	<u>226,640.33</u>	<u>47,358.27</u>	<u>550.25</u>	<u>297,873.55</u>	<u>4,307.51</u>	<u>7,850.00</u>	<u>1,122,926.33</u>
Excess of Revenues Over (Under) Exp	182,431.28	732.78	(925.96)	7,508.04	9,485.55	(293,817.13)	1,969.39	5,468.49	(87,147.56)
<u>Other Financing Sources (Uses)</u>									
Operating Transfers In (Out)	(262,223.96)	-	9,827.86	-	-	252,396.10	-	-	-
Net Change in Fund Balances	(79,792.68)	732.78	8,901.90	7,508.04	9,485.55	(41,421.03)	1,969.39	5,468.49	(87,147.56)
<u>Fund Balances - Beginning of Year</u>	<u>465,568.86</u>	<u>14,619.36</u>	<u>96,199.76</u>	<u>84,122.99</u>	<u>-</u>	<u>245,626.69</u>	<u>24,772.87</u>	<u>29,655.69</u>	<u>960,566.22</u>
<u>Fund Balances - End of Year</u>	<u>\$ 385,776.18</u>	<u>\$ 15,352.14</u>	<u>\$ 105,101.66</u>	<u>\$ 91,631.03</u>	<u>\$ 9,485.55</u>	<u>\$ 204,205.66</u>	<u>\$ 26,742.26</u>	<u>\$ 35,124.18</u>	<u>\$ 873,418.66</u>

The notes are an integral part of the statements.

Township of Deerfield
Governmental Funds
Reconciliation of Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For The Year Ended March 31, 2006

Net Change in Fund Balances - Total Governmental Funds \$ (87,147.56)

Amounts reported for Governmental Activities in the Statement of
Activities are different because:

Governmental Funds report Capital Outlays as Expenditures;
in the Statement of Activities, these costs are capitalized and
allocated over their estimated useful lives as Depreciation 122,140.00

Special assessment revenues are recorded in the statement of activities
when the assessment is set; they are not reported in the funds until
collected or collectible within 60 days of year end (13,222.31)

Repayment of Bond Principal is an Expenditure in the Governmental
Funds, but not in the Statement of Activities (where it
reduces Long-Term Debt) 85,040.00

Interest Expense is reported in the Statement of Activities
when a Liability is incurred; they are reported in the
Governmental Funds only when payment is due 1,000.00

Depreciation is an Expenditure for the Statement of
Activities, but is not reported in the Governmental Funds (58,845.40)

Net Assets of Governmental Activities \$ 48,964.73

The notes are an integral part of the statements.

Township of Deerfield

Statement of Net Assets (Deficit)

Fiduciary Funds

March 31, 2006

	Fiduciary Fund Types		
	Agency Funds		
	Trust & Agency Fund	Current Tax Collection Fund	Totals March 31, 2006
<u>Assets</u>			
Cash - Savings & Certificates	\$ 7,229.00	\$ 525.00	\$ 7,754.00
Due From Other Funds	-	-	-
<u>Total Assets</u>	<u>\$ 7,229.00</u>	<u>\$ 525.00</u>	<u>\$ 7,754.00</u>
 <u>Liabilities & Fund Balance</u>			
<u>Liabilities</u>			
Due To Other Funds	\$ -	\$ 525.00	\$ 525.00
Due To Others	7,229.00	-	7,229.00
<u>Total Liabilities</u>	<u>7,229.00</u>	<u>525.00</u>	<u>7,754.00</u>
 <u>Fund Balances</u>			
Unreserved & Undesignated	-	-	-
<u>Total Fund Balances</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Liabilities & Fund Balances</u>	<u>\$ 7,229.00</u>	<u>\$ 525.00</u>	<u>\$ 7,754.00</u>

The notes are an integral part of the statements.

Township of Deerfield

Notes to the Financial Statements
For The Year Ended March 31, 2006

The accounting methods and procedures adopted by the Township of Deerfield, Lapeer County, Michigan, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the Townships Comprehensive Annual Financial Report.

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The Township was incorporated under the laws of the State of Michigan and operates as a General Law Township, with a Township Board form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Township (the primary government) and its component units. The component units discussed below are included in the Township reporting entity because of the significance of their operational or financial relationships with the Township.

Component Units - In conformity with generally accepted accounting principles, the financial statements of component units have been included in the financial reporting entity either as blended component units or discretely presented component units.

Blended Component Units - The Barnes Lake Improvement Fund, an entity legally separate from the Township, is governed by a Board of members. For financial reporting purposes, the Barnes Lake Improvement Fund is reported as if it were part of the Township's operations because its funding is collected within the Township. However, all decisions and subsequent responsibility for those decisions regarding the control of Barnes Lake lies within the Barnes Lake Improvement Board.

Government-wide and Fund Statements Fund

The Government-wide Financial Statements (i.e., the Statement of Net Assets (Deficit) and the Statement of Activities) report information on all the nonfiduciary activities of the Township (the primary government). The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other revenue items properly excluded from program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the Government-wide Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Township reports the following major governmental funds:

General Fund - The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Cemetery Operating Fund - This fund accounts for the sale of lots, grave openings and general maintenance of the cemetery. Funding is provided primarily through lot sales, grave openings and interest earnings.

Fire Fund - The fund provides for the public safety service of fire rescue. Funding is provided primarily from a fire assessment on the tax roll and charges for fire runs.

Township of Deerfield
Notes to the Financial Statements
For The Year Ended March 31, 2006

Barnes Lake Improvement Fund – This fund (Blended Component Unit) accounts for the weed control and general maintenance of Barnes Lake. Funding is provided primarily through a special assessment.

Park Fund – This fund accounts for the restoration of the Township park. Funding is provided through donations.

Revolving Improvement Fund – This fund accounts for the payment of general road maintenance and bond payments. Funding is provided through contributions from the General Fund.

Police Equipment Fund - This fund accounts for the payment of the police car lease. Funding is provided primarily through the collection of a special assessment.

Road Resurfacing Debt Service Fund – This fund accounts for the payment of the debt service of the road resurfacing bond. Funding is provided primarily through a special assessment.

Additionally, the Township reports the following fund types:

Trust & Agency Funds - The Trust & Agency Fund accounts for assets held by the Township in a trustee capacity or as an agent for individuals, organizations, or other governments.

Current Tax Collection Fund – The fund accounts for the collection and disbursement of taxes.

Measurement Focus and Basis of Accounting

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period, generally collected within 60 days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, intergovernmental revenues, special assessments, licenses, charges for services, and interest. All other revenue items are considered to be available only when cash is received by the Township. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and claims and judgments are recorded only when payment is due.

Cash - The Township does not pool cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Township's investments.

Investments - Debt securities are valued at cost since it is generally the policy of the Township to hold such investments until they mature.

Due to and Due From Other Funds - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Property Tax Revenues - Property taxes are levied on December 1 based on the assessed value of property as listed on the previous December 31. Assessed values are an approximation of market value. A revaluation of all real property must be made every year.

Township of Deerfield
Notes to the Financial Statements
For The Year Ended March 31, 2006

Vacation, Sick Leave, & Other Compensated Absences - The Township does have an agreement with its full-time employee which requires the payment of compensation during absence from duty. The full-time employee receives the accumulation of one sick day per month, which rolls over and accumulates indefinitely. In addition to this, the employee accumulates fifteen days of vacation that must be used during the year or are forfeited.

Capital Assets - Capital assets, which include buildings and equipment, are reported in the applicable governmental column in the Government-wide Financial Statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Infrastructure	40 years
Buildings & Building Improvements	20 to 50 years
Machinery & Equipment	3 to 25 years

Long-Term Obligations - In the Government-wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, issuance costs, and the deferred amount on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Township of Deerfield
Notes to the Financial Statements
For The Year Ended March 31, 2006

Accounting Changes

GASB Statement No. 34 – Effective April 1, 2004, the Township implemented the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34). Changes to the Township's financial statements as a result of GASB No. 34 are as follows:

- A management's discussion and analysis (MD&A) section providing analysis of the Township's overall financial position and results of operations has been included.
- Government-wide Financial Statements (statement of net assets (deficit) and statement of activities) prepared using full accrual accounting for all of the Township's activities have been provided.
- Capital assets in the governmental activities column of the statement of net assets (deficit) includes assets not previously accounted for by the Township as well as assets previously reported in the General Fixed Assets Account Group. In addition, the governmental activities column includes bonds and other long-term obligations previously reported in the General Long-term Debt Account Group.
- The fund financial statements focus on major funds rather than fund types.

2. Stewardship, Compliance, and Accountability

Budgetary Information

The Township is legally subject to the budgetary control requirements of State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following statements represent a brief synopsis of the major provisions of this Act:

1. Budgets must be adopted for the General Fund and Special Revenue Funds.
2. The budgets must be balanced. The balanced budget may include a contribution to or appropriation from fund balance.
3. The budgets must be amended when necessary.
4. Debt cannot be entered into unless permitted by law.
5. Expenditures cannot exceed budget appropriations.
6. Expenditures cannot be made unless authorized in the budget.
7. Public hearings must be held before budget adoptions.

In the body of the financial statements, the Township actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The budget is used by the Township Board as a management tool during the year for all budgetary funds. The budgets are adopted on a cash basis, which is not consistent with generally accepted accounting principles. Budgetary control is exercised at the departmental level. Budgets for the General Fund and the Special Revenue Funds are presented in the required supplemental information.

Township of Deerfield
Notes to the Financial Statements
For The Year Ended March 31, 2006

During the year ended March 31, 2006, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	<u>Total</u>		<u>Amount of</u>		<u>Budget</u>
	<u>Appropriations</u>		<u>Expenditures</u>		<u>Variance</u>
<u>General Fund</u>					
Supervisor	\$ 23,950	\$	24,053	\$	103
Elections	2,350		4,168		1,818
Assessor	25,000		26,470		1,470
Clerk	34,800		35,940		1,140
General Office	41,000		42,712		1,712
Treasurer	40,860		44,526		3,666
Building & Grounds	101,900		118,047		16,147
Planning & Zoning	9,720		11,073		1,353
Law Enforcement	87,500		104,535		17,035
Emergency Response	25,700		25,948		248
Construction Code Authority	2,500		2,928		428
Recreation & Culture	1,350		1,500		150
Transfers Out	40,000		262,224		222,224
<u>Cemetery Fund</u>					
Grave Openings	1,500		1,782		282
Miscellaneous	200		361		161
<u>Fire Department Fund</u>					
Wages & Payroll Taxes	41,550		48,260		6,710
Capital Outlay	23,108		122,140		99,032
<u>Revolving Improvement Fund</u>					
Road Maintenance	190,000		241,835		51,835
Debt Service - Principal	-		50,000		50,000
Debt Service - Interest	-		6,038		6,038

During the year ended March 31, 2006, a budget was not adopted for the following fund:

Road Resurfacing Debt Service Fund
Park Fund

3. Cash and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township Board has designated three banks for the deposit of Township funds. There was an investment policy adopted by the Board in accordance with Public Act 196 of 1997. The Board has authorized investment in bank accounts and CDs, but not the remainder of State statutory authority as listed above. The Township's deposits are in accordance with statutory authority. All cash deposits and investments of the Township are held by the Township in the Township's name.

Township of Deerfield
Notes to the Financial Statements
For The Year Ended March 31, 2006

At year end, the deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Fiduciary - Trust & Agency Funds</u>	<u>Total Primary Government</u>
Cash & Cash Equivalents	\$ 837,145	\$ 7,754	\$ 844,899

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>
Bank Deposits (Checking & Savings Accounts, CDs)	\$ 844,899

The bank balance of the primary government's deposits is \$844,899, of which \$207,206 is covered by federal depository insurance and \$-0- is collateralized with U.S. Treasury securities held by the pledging financial institution's trust department in the Township's name.

The GASB Statement 3 risk disclosures for the Local Unit's investments are as follows:

	<u>Category</u>			<u>Carrying Value</u>
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	
Investments	\$ NONE	\$ NONE	\$ NONE	\$ NONE

The cash and investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

Category 1	Insured or registered, or securities held by the Township or its agent in the Township's name.
Category 2	Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name.
Category 3	Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Township's name.

4. Property Taxes

The Township is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of December of the levy year and may be paid by the following February 14.

The Township levied the following taxes:

General Government Services	1.4012 mills
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Special Assessment District:

Fire Protection / Police Equipment:

Per Dwelling, Commercial Building, Industrial Building	\$38.00
Vacant Land with Garage or Shed	\$11.00

Township of Deerfield
Notes to the Financial Statements
For The Year Ended March 31, 2006

5. Capital Assets

Capital Assets activity of the Township's governmental activities (and business-type) was as follows:

	<u>Balance</u> <u>April 1, 2005</u>	<u>Additions</u>	<u>Disposals &</u> <u>Adjustments</u>	<u>Balance</u> <u>March 31, 2006</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:	\$ 52,923	\$ -	\$ -	\$ 52,923
Capital Assets Being Depreciated:				
Buildings & Improvements	\$ 1,122,377	\$ -	\$ -	\$ 1,122,377
Fire Equipment	591,715	122,140	-	713,855
Office Equipment	<u>6,105</u>	<u>-</u>	<u>-</u>	<u>6,105</u>
Total Capital Assets being Depreciated	1,720,197	122,140	-	1,842,337
Accumulated Depreciation:				
Buildings & Improvements	556,436	26,414	-	582,850
Fire Equipment	120,386	31,210	-	151,596
Office Equipment	<u>611</u>	<u>1,221</u>	<u>-</u>	<u>1,832</u>
Total Accumulated Depreciation	<u>677,433</u>	<u>58,845</u>	<u>-</u>	<u>736,278</u>
Net Capital Assets being Depreciated	<u>\$ 1,042,764</u>	<u>\$ 63,295</u>	<u>\$ -</u>	<u>\$ 1,106,059</u>
Net Capital Assets	<u><u>\$ 1,095,687</u></u>	<u><u>\$ 63,295</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,158,982</u></u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 16,782
Public Safety	36,397
Public Works	<u>5,666</u>
Total Governmental Activities	<u><u>\$ 58,845</u></u>

6. Deficit Fund Balance or Retained Earnings Balances of Individual Funds

None

7. Comparative Data

Comparative total data for the prior year has not been presented.

Township of Deerfield
Notes to the Financial Statements
For The Year Ended March 31, 2006

8. Long -Term Debt

	<u>Interest Rate Ranges</u>	<u>Principal Maturity Ranges</u>	<u>Beginning Balance</u>	<u>Additions (Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation Bonds & Contracts						
LCBT Bonds Payable - Road Resurfacing						
Amount of Issue - \$85,000		\$5,000 -				
Maturing through 2012	3.80%	\$10,000	<u>\$ 75,000</u>	<u>\$ (5,000)</u>	<u>\$ 70,000</u>	<u>\$ 10,000</u>
Lapeer County Road Commission - Road Gravel						
Amount of Issue - \$500,000	4.90% -					
Maturing through 2007	7.00%	\$50,000	<u>\$ 150,000</u>	<u>\$ (50,000)</u>	<u>\$ 100,000</u>	<u>\$ 50,000</u>
Old National Leasing - 2000 Fire Truck						
Amount of Issue - \$149,000		\$9,501 -				
Maturing through 2009	5.00%	\$18,754	<u>\$ 86,380</u>	<u>\$ (15,373)</u>	<u>\$ 71,007</u>	<u>\$ 16,156</u>
Marquette Bank - 2003 Fire Truck						
Amount of Issue - \$129,850		\$12,309 -				
Maturing through 2011	4.23%	\$19,077	<u>\$ 117,541</u>	<u>\$ (14,667)</u>	<u>\$ 102,874</u>	<u>\$ 15,324</u>
Total Governmental Activities			<u><u>\$ 428,921</u></u>	<u><u>\$ (85,040)</u></u>	<u><u>\$ 343,881</u></u>	<u><u>\$ 91,480</u></u>

Annual debt service requirements to maturity for the above governmental bond and contract obligations are as follows:

<u>Years Ending March 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 91,480	\$ 14,471	\$ 105,951
2008	92,990	10,157	103,147
2009	44,572	6,970	51,542
2010	47,503	4,931	52,434
2011	28,259	2,813	31,072
2012-2015	<u>39,077</u>	<u>1,995</u>	<u>41,072</u>
Total	<u><u>\$ 343,881</u></u>	<u><u>\$ 41,337</u></u>	<u><u>\$ 385,218</u></u>

9. Long-Term Lease – GMAC Smart Lease Agreement

The Township entered into a long-term lease agreement for a 2005 GMC Sierra 150 Pickup. The first payment in the amount of \$309.17 is due on March 29, 2005. Thirty-five payments of \$309.17 follow the first payment and are due on the 29th of each month. The total of all monthly payments is \$11,130.12.

10. Post Employment Benefits

The Township does not provide any post employment benefits.

11. Pension Plan

The Township has a defined contribution plan covering all elected officials and full-time employees. The Township contributes 25% of each eligible employee's annual salary plan. Pension expense for the fiscal year ended March 31, 2006, was \$20,150.

Township of Deerfield
Notes to the Financial Statements
For The Year Ended March 31, 2006

12. Building Permits

The Township does not issue building permits. Building permits are issued by the Construction Code Authority, which is a local governmental unit.

13. Interfund Receivables, Payables, & Transfers

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Due from other funds" or "Due to other funds" on the balance sheet. The amounts of interfund receivables and payables are as follows:

	<u>Due From Other Funds</u>		<u>Due To Other Funds</u>
General Fund	\$ 525	Tax Collection Fund	\$ 525
Barnes Lake Improvement Fund	4,573	General Fund	4,573
Total	<u>\$ 5,098</u>		<u>\$ 5,098</u>

Interfund Transfers reported in the Fund Statements are as follows:

	<u>Operating Transfers In</u>		<u>Operating Transfers Out</u>
Fire Department Fund	\$ 9,828	General Fund	\$ 9,828
Revolving Improvement Fund	252,396	General Fund	252,396

14. Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical and workman's compensation benefits provided to employees. The Township has purchased commercial insurance for the various risks of loss stated above.

Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage's obtained through commercial insurance during the past year.

Required Supplemental Information

Township of Deerfield
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For The Year Ended March 31, 2006

	General Fund			
	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
Property Taxes	\$ 86,400.00	\$ 86,400.00	\$ 261,858.46	\$ 175,458.46
State Shared Revenues	393,000.00	393,000.00	390,084.00	(2,916.00)
Charges for Services	10,400.00	10,400.00	5,882.55	(4,517.45)
Interest Earnings	8,000.00	8,000.00	10,661.01	2,661.01
Hall Rent & Franchise Fees	37,000.00	37,000.00	32,784.33	(4,215.67)
Other Revenues	6,500.00	6,500.00	15,210.33	8,710.33
<u>Total Revenues</u>	541,300.00	541,300.00	716,480.68	175,180.68
<u>Expenditures</u>				
General Government				
Township Board	21,220.00	22,720.00	21,566.20	1,153.80
Supervisor	24,100.00	23,950.00	24,052.70	(102.70)
Elections	5,000.00	2,350.00	4,167.62	(1,817.62)
Assessor	25,000.00	25,000.00	26,470.22	(1,470.22)
Professional Services	19,000.00	22,600.00	22,110.55	489.45
Clerk	36,800.00	34,800.00	35,940.47	(1,140.47)
Board of Review	1,400.00	1,400.00	732.35	667.65
General Office	41,000.00	41,000.00	42,711.80	(1,711.80)
Treasurer	47,160.00	40,860.00	44,526.01	(3,666.01)
Building & Grounds	100,900.00	101,900.00	118,046.85	(16,146.85)
Insurance & Bonds	45,000.00	45,000.00	40,394.00	4,606.00
<u>Total General Government</u>	366,580.00	361,580.00	380,718.77	(19,138.77)
Public Safety				
Planning & Zoning	9,720.00	9,720.00	11,073.05	(1,353.05)
Law Enforcement	87,500.00	87,500.00	104,535.38	(17,035.38)
Emergency Response	25,000.00	25,700.00	25,947.87	(247.87)
Construction Code Authority	4,000.00	2,500.00	2,928.00	(428.00)
<u>Total Public Safety</u>	126,220.00	125,420.00	144,484.30	(19,064.30)
Public Works				
Roads & Drains	4,400.00	5,200.00	3,855.77	1,344.23
Recycling	4,400.00	4,400.00	-	4,400.00
Great Lake Transit	1,500.00	3,500.00	3,491.00	9.00
<u>Total Public Works</u>	10,300.00	13,100.00	7,346.77	5,753.23
Recreation & Culture	1,350.00	1,350.00	1,499.56	(149.56)
Capital Outlay	1,500.00	1,500.00	-	1,500.00
<u>Total Expenditures</u>	505,950.00	502,950.00	534,049.40	(31,099.40)
Excess of Revenues Over (Under) Expenditures	35,350.00	38,350.00	182,431.28	144,081.28
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In (Out)	(40,000.00)	(40,000.00)	(262,223.96)	(222,223.96)
<u>Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses</u>	(4,650.00)	(1,650.00)	(79,792.68)	(78,142.68)
<u>Fund Balance - Beginning of Year</u>	-	-	465,568.86	465,568.86
<u>Fund Balance - End of Year</u>	\$ (4,650.00)	\$ (1,650.00)	\$ 385,776.18	\$ 387,426.18

Township of Deerfield
Required Supplemental Information
Budgetary Comparison Schedule
Cemetery Fund
For The Year Ended March 31, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Revenues</u>				
Grave Openings	\$ 2,000.00	\$ 2,000.00	\$ 2,575.00	\$ 575.00
Lot Sales	3,000.00	3,000.00	1,200.00	(1,800.00)
Interest Earnings	-	-	60.08	60.08
Other Revenues	2,500.00	2,500.00	1,194.72	(1,305.28)
<u>Total Revenues</u>	<u>7,500.00</u>	<u>7,500.00</u>	<u>5,029.80</u>	<u>(2,470.20)</u>
<u>Expenditures</u>				
Grave Openings	1,500.00	1,500.00	1,782.00	(282.00)
Repairs & Maintenance	4,300.00	4,300.00	2,154.42	2,145.58
Miscellaneous	200.00	200.00	360.60	(160.60)
<u>Total Expenditures</u>	<u>6,000.00</u>	<u>6,000.00</u>	<u>4,297.02</u>	<u>1,702.98</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	1,500.00	1,500.00	732.78	(767.22)
<u>Other Financing Sources</u>				
Operating Transfers In (Out)	-	-	-	-
<u>Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses</u>	1,500.00	1,500.00	732.78	(767.22)
<u>Fund Balance - Beginning of Year</u>	<u>-</u>	<u>-</u>	<u>14,619.36</u>	<u>14,619.36</u>
<u>Fund Balance - End of Year</u>	<u>\$ 1,500.00</u>	<u>\$ 1,500.00</u>	<u>\$ 15,352.14</u>	<u>\$ 13,852.14</u>

Township of Deerfield
Required Supplemental Information
Budgetary Comparison Schedule
Fire Department Fund
For The Year Ended March 31, 2006

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
Special Assessments	\$ 91,400.00	\$ 91,400.00	\$ 94,481.00	\$ 3,081.00
Charges for Services	9,000.00	9,000.00	12,962.50	3,962.50
Grant Proceeds	-	-	117,979.50	117,979.50
Interest Earnings	20,000.00	20,000.00	163.04	(19,836.96)
Other Revenues	3,608.00	3,608.00	128.33	(3,479.67)
<u>Total Revenues</u>	124,008.00	124,008.00	225,714.37	101,706.37
<u>Expenditures</u>				
Wages & Payroll Taxes	41,550.00	41,550.00	48,260.28	(6,710.28)
Administration	4,200.00	4,200.00	3,444.20	755.80
Operating Supplies	8,900.00	8,900.00	8,187.99	712.01
Repairs & Maintenance	5,250.00	5,250.00	4,966.14	283.86
Capital Outlay	23,108.00	23,108.00	122,140.00	(99,032.00)
Debt Service - Principal	31,000.00	31,000.00	30,040.00	960.00
Debt Service - Interest	10,000.00	10,000.00	9,601.72	398.28
<u>Total Expenditures</u>	124,008.00	124,008.00	226,640.33	(102,632.33)
<u>Excess of Revenues Over (Under) Expenditures</u>	-	-	(925.96)	(925.96)
<u>Other Financing Sources</u>				
Operating Transfers In (Out)	-	-	9,827.86	9,827.86
<u>Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses</u>	-	-	8,901.90	8,901.90
<u>Fund Balance - Beginning of Year</u>	-	-	96,199.76	96,199.76
<u>Fund Balance - End of Year</u>	\$ -	\$ -	\$ 105,101.66	\$ 105,101.66

Township of Deerfield
Required Supplemental Information
Budgetary Comparison Schedule
Barnes Lake Improvement Fund
For The Year Ended March 31, 2006

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
Special Assessment	\$ -	\$ -	\$ 54,594.63	\$ 54,594.63
Interest Earnings	-	-	271.68	271.68
<u>Total Revenues</u>	-	-	54,866.31	54,866.31
<u>Expenditures</u>				
Public Works - Lake Weed Control	49,944.00	49,944.00	47,358.27	2,585.73
<u>Total Expenditures</u>	49,944.00	49,944.00	47,358.27	2,585.73
<u>Excess of Revenues Over (Under) Expenditures</u>	(49,944.00)	(49,944.00)	7,508.04	57,452.04
<u>Other Financing Sources</u>				
Operating Transfers In (Out)	-	-	-	-
<u>Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses</u>	(49,944.00)	(49,944.00)	7,508.04	57,452.04
<u>Fund Balance - Beginning of Year</u>	-	-	84,122.99	84,122.99
<u>Fund Balance - End of Year</u>	\$ (49,944.00)	\$ (49,944.00)	\$ 91,631.03	\$ 141,575.03

Township of Deerfield
Required Supplemental Information
Budgetary Comparison Schedule
Park Fund
For The Year Ended March 31, 2006

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
Donations	\$ -	\$ -	\$ 10,035.00	\$ 10,035.00
Refunds & Reimbursements	-	-	0.80	0.80
<u>Total Revenues</u>	-	-	10,035.80	10,035.80
<u>Expenditures</u>				
Recreation & Culture	-	-	550.25	(550.25)
<u>Total Expenditures</u>	-	-	550.25	(550.25)
<u>Excess of Revenues Over (Under) Expenditures</u>	-	-	9,485.55	9,485.55
<u>Other Financing Sources</u>				
Operating Transfers In (Out)	-	-	-	-
<u>Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses</u>	-	-	9,485.55	9,485.55
<u>Fund Balance - Beginning of Year</u>	-	-	-	-
<u>Fund Balance - End of Year</u>	\$ -	\$ -	\$ 9,485.55	\$ 9,485.55

Township of Deerfield
Required Supplemental Information
Budgetary Comparison Schedule
Revolving Improvement Fund
For The Year Ended March 31, 2006

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
Interest Earnings	\$ -	\$ -	\$ 3,008.08	\$ 3,008.08
Other Income	-	-	1,048.34	1,048.34
	-	-		
<u>Total Revenues</u>	-	-	4,056.42	4,056.42
<u>Expenditures</u>				
Public Works - Road Maintenance	190,000.00	190,000.00	241,835.55	(51,835.55)
Debt Service - Principal	-	-	50,000.00	(50,000.00)
Debt Service - Interest	-	-	6,038.00	(6,038.00)
<u>Total Expenditures</u>	190,000.00	190,000.00	297,873.55	(107,873.55)
<u>Excess of Revenues Over (Under) Expenditures</u>	(190,000.00)	(190,000.00)	(293,817.13)	(103,817.13)
<u>Other Financing Sources</u>				
Operating Transfers In (Out)	190,000.00	190,000.00	252,396.10	62,396.10
<u>Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses</u>	-	-	(41,421.03)	(41,421.03)
<u>Fund Balance - Beginning of Year</u>	-	-	245,626.69	245,626.69
<u>Fund Balance - End of Year</u>	\$ -	\$ -	\$ 204,205.66	\$ 204,205.66

Township of Deerfield
Required Supplemental Information
Budgetary Comparison Schedule
Police Equipment Fund
For The Year Ended March 31, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Revenues</u>				
Special Assessment	\$ -	\$ -	\$ 6,000.00	\$ 6,000.00
Interest Earnings	7,141.32	7,141.32	276.90	(6,864.42)
<u>Total Revenues</u>	<u>7,141.32</u>	<u>7,141.32</u>	<u>6,276.90</u>	<u>(864.42)</u>
<u>Expenditures</u>				
Public Safety - Police Equipment Lease	7,141.32	7,141.32	4,307.51	2,833.81
<u>Total Expenditures</u>	<u>7,141.32</u>	<u>7,141.32</u>	<u>4,307.51</u>	<u>2,833.81</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	-	-	1,969.39	1,969.39
<u>Other Financing Sources</u>				
Operating Transfers In (Out)	-	-	-	-
<u>Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses</u>	-	-	1,969.39	1,969.39
<u>Fund Balance - Beginning of Year</u>	-	-	24,772.87	24,772.87
<u>Fund Balance - End of Year</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,742.26</u>	<u>\$ 26,742.26</u>

Township of Deerfield
Required Supplemental Information
Budgetary Comparison Schedule
Road Resurfacing Debt Service Fund
For The Year Ended March 31, 2006

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
Special Assessment	\$ -	\$ -	\$ 13,222.31	\$ 13,222.31
Interest Earnings	-	-	96.18	96.18
Other Revenue	-	-	-	-
<u>Total Revenues</u>	-	-	13,318.49	13,318.49
<u>Expenditures</u>				
Debt Service - Principal	-	-	5,000.00	(5,000.00)
Debt Service - Interest	-	-	2,850.00	(2,850.00)
<u>Total Expenditures</u>	-	-	7,850.00	(7,850.00)
<u>Excess of Revenues Over (Under) Expenditures</u>	-	-	5,468.49	5,468.49
<u>Other Financing Sources</u>				
Operating Transfers In (Out)	-	-	-	-
<u>Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses</u>	-	-	5,468.49	5,468.49
<u>Fund Balance - Beginning of Year</u>	-	-	29,655.69	29,655.69
<u>Fund Balance - End of Year</u>	\$ -	\$ -	\$ 35,124.18	\$ 35,124.18

Other Supplemental Information

Township of Deerfield

Other Supplemental Information

Schedule of Indebtedness

March 31, 2006

Old National Leasing - 2000 Fire Truck

Dated: February 23, 1999

Original Issue: \$149,000

Interest Rate	Date of Maturity	Principal Outstanding March 31,		Annual Interest Payable
		2006	2005	
5.00%	07/15/05	\$ -	\$ 15,373	\$ -
5.00%	07/15/06	16,156	16,156	3,553
5.00%	07/15/07	16,980	16,980	2,730
5.00%	07/15/08	17,845	17,845	1,865
5.00%	07/15/09	20,026	20,026	956
<u>Total Contract Payable</u>		<u>\$ 71,007</u>	<u>\$ 86,380</u>	<u>\$ 9,104</u>

Marquette Bank - 2003 Fire Truck

Dated: December 24, 2002

Original Issue: \$129,850

Interest Rate	Date of Maturity	Principal Outstanding March 31,		Annual Interest Payable
		2006	2005	
4.23%	04/10/05	\$ -	\$ 14,667	\$ -
4.23%	04/10/06	15,324	15,324	4,608
4.23%	04/10/07	16,010	16,010	3,922
4.23%	04/10/08	16,727	16,727	3,205
4.23%	04/10/09	17,477	17,477	2,455
4.23%	04/10/10	18,259	18,259	1,673
4.23%	04/10/11	19,077	19,077	855
<u>Total Contract Payable</u>		<u>\$ 102,874</u>	<u>\$ 117,541</u>	<u>\$ 16,718</u>

Township of Deerfield

Other Supplemental Information

Schedule of Indebtedness

March 31, 2006

LCBT - Road Resurfacing

Dated: December 16, 2002

Original Issue: \$85,000

Interest Rate	Date of Maturity	Principal Outstanding March 31,		Annual Interest Payable
		2006	2005	
3.80%	04/01/05	\$ -	\$ 5,000	\$ -
3.80%	04/01/06	10,000	10,000	2,660
3.80%	04/01/07	10,000	10,000	2,280
3.80%	04/01/08	10,000	10,000	1,900
3.80%	04/01/09	10,000	10,000	1,520
3.80%	04/01/10	10,000	10,000	1,140
3.80%	04/01/11	10,000	10,000	760
3.80%	04/01/12	10,000	10,000	380
<u>Total General Obligation Bonds</u>		<u>\$ 70,000</u>	<u>\$ 75,000</u>	<u>\$ 10,640</u>

Lapeer County Road Commission - Road Gravel Bond

Dated: August 1, 1997

Original Issue: \$500,000

Interest Rate	Date of Maturity	Principal Outstanding March 31,		Annual Interest Payable
		2006	2005	
4.75%	08/01/05	\$ -	\$ 50,000	\$ -
4.80%	02/01/06	-	-	-
4.80%	08/01/06	50,000	50,000	2,425
4.90%	02/01/07	-	-	1,225
4.90%	08/01/07	50,000	50,000	1,225
<u>Total General Obligation Bonds</u>		<u>\$ 100,000</u>	<u>\$ 150,000</u>	<u>\$ 4,875</u>
<u>Total Obligation Bonds & Contracts Payable</u>		<u>\$ 343,881</u>	<u>\$ 428,921</u>	<u>\$ 41,337</u>